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FISCAL IMPACT STATEMENT

LS 6397

BILL NUMBER: HB 1092

NOTE PREPARED: Mar 30, 2007

BILL AMENDED: Mar 29, 2007

SUBJECT: Military Family Leave.

FIRST AUTHOR: Rep. Avery

FIRST SPONSOR: Sen. Delph

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill establishes an unpaid leave of absence of up to 10 working days for the spouse, parent, grandparent, or sibling of a person ordered to active duty in the United States armed forces or the National Guard. The bill requires an employee to provide written notice and a copy of the active duty orders, if available, before taking the leave. The bill also provides that an employee taking leave is permitted, or may be required, to use certain paid leave to which the employee is entitled. It requires an employee to be restored to the position that the employee held before the leave or to an equivalent position. It also requires an employer to permit an employee who is taking a leave to continue the employee's health care benefits at the employee's expense. The bill provides equitable remedies for violations.

The bill provides for grants from the Military Family Relief Fund for child care assistance.

The bill provides that a person who furnishes lodging for compensation commits a class C infraction if the person refuses to rent a room to an individual who is (1) under 21 years of age; and (2) on active military duty.

The bill exempts an individual on active military duty from serving on a jury.

Effective Date: July 1, 2007.

Explanation of State Expenditures: (Revised) *Unpaid Leave of Absence:* The bill requires an employer who employs at least 50 employees for each working day during each of at least 20 calendar workweeks to allow certain employees that are either a parent, spouse, grandparent, or sibling, of a person who is ordered to active duty, military family leave. The bill would affect state and political subdivisions of the state.

Certain employees are entitled to an unpaid leave of absence during: (1) the 30 days before active duty orders are in effect; (2) a period in which the person ordered to active duty is on leave while active duty orders are in effect; (3) the 30 days after the involuntary active duty orders are terminated. The leave may not exceed 10 working days annually. Employees are responsible for paying their own benefits while on military family leave. An employee may elect, or an employer may require the employee, to substitute any earned paid vacation leave, personal leave, or other paid leave, except for paid medical or sick leave, available to the employee for leave provided for any part of the ten-day period of military family leave.

The bill allows an employee who is denied family military leave to bring a civil action against their employer.

This bill could result in indeterminable productivity losses which may occur from current staff having to absorb the temporary workload changes or the productivity losses which might occur when an employee takes unpaid leave. This impact could occur in both state and local government agencies.

Background Information: During CY 2005, there were approximately 24,750 active duty U.S. armed forces who claimed Indiana as their state of residence. There were approximately 12,500 Indiana National Guard members on active duty.

Expansion of Assistance Categories: The bill allows the IDVA to provide child care assistance to eligible persons. This provision of the bill would have no fiscal impact. Money available from the Fund is dependent on funds available and not on assistance categories.

Explanation of State Revenues:

Explanation of Local Expenditures: *Penalty Provision:* The bill makes it a Class C infraction for a person who provides lodging for compensation at a motel, a hotel, or another place of public accommodation to refuse to rent or lease a room to an individual solely because the individual is less than 21 years of age and the individual is on active duty.

The maximum judgment for a Class C infraction is \$500, which would be deposited in the state General Fund. However, any additional revenue is likely to be small.

See *Explanation of State Expenditures, Unpaid Leave of Absence.*

Explanation of Local Revenues: *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from court fees. However, any additional revenue is likely to be small.

State Agencies Affected: All state agencies.

Local Agencies Affected: Political subdivisions; Trial courts, local law enforcement agencies.

Information Sources: Lt. Col Gerald Hadley, Office of the Adjutant General; Rejeanna White, Indiana National Guard; Tom Applegate, Indiana Department of Veterans' Affairs; Deborah Williamson, Defense Manpower Data Center.

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